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FROM CAIRO TO FOREIGN OFFICE

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En Clair

FOREIGN OFFICE AND WHITEHALL
WASHINGTON

Sir H. Trevelyan
No. 1537
August 12, 1956

DIA. 30 a.m. August 13, 1956
R15.52 a.m. August 13, 1956

URGENT

My immediately preceding telegram.

Following is text of Nasser's speech.

Begins.

JE142

INDEXED



JE 14211/668

My countrymen. At 5 o'clock today Egypt announced her answer to the invitation addressed to her to attend the London Conference which will meet on the 16th of August. This answer was delivered to all the Embassies in Cairo. At the same time I held a press conference for all the foreign and Egyptian correspondents. I read the statement and answered all the questions addressed to me. I do not want to talk about the problem from the beginning but would like to talk about the last part of it. All of you know about the problem in full from the time of de Lesseps up to the 26th July. From the time Egypt's rights were usurped by sheer blind force from the time they said that the Canal would be for the service (of Egypt). After that ourselves, our fathers and our grandfathers, all of us, felt that it was Egypt that was in the service of the Canal. Every one of you knows this problem with all its history and its tragedies and what happens. Every one of you knows all this and knows what happened recently. I should like to talk to you today from the date of my speech of the 26th July when it was decided to nationalize the Suez Canal. Every one of you knows that it was the Suez Canal Company which was nationalized and not the Suez Canal. The Suez Canal could never be nationalized because the Suez Canal is ours, our soil, the soil of Egypt and nobody could say that we have nationalized the Suez Canal because the Suez Canal is an inseparable part of Egypt. We nationalized the Suez Canal Company. This has had a reaction abroad mainly in the imperialist states. This reaction took the shape of a big commotion it was reflected in newspapers headlines which said that Egypt has picked the Canal, our Canal, the Canal of England, Egypt has stolen the Canal. What was all this commotion which took place abroad? What was the reason for it? What I understand / is..

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is that England had 44 per cent of the shares for which she used to get an annual profit of about 5 million pounds. Was the reason for all this commotion that England has lost these 5 or 6 million pounds? Or was it because England was not content in the compensation she could get for the 44 per cent of the shares? These shares which they usurped from us during the reign of Ismail. They took these shares from us free and took money in addition. Naturally this is a matter which calls for wonder. There should be something at the back of this commotion, there should be a very big reason for it. It is not conceivable that Britain should raise all this commotion for the loss of 5 million pounds. But Britain was raising all this commotion because she looks to the Canal on the basis of its being a relic of imperialism, a relic of influence, that influence which we have always declared ourselves against. We declared that we will never in any way be a source of influence to anybody. We want to be an independent state which will protect her influence, her sovereignty and her dignity. We will never accept to be a source of influence to any body under any designation or under any company. After that a conference was held in London which was attended by Britain, France and America to discuss the subject of the Suez Canal and the measures taken by Egypt as regards the Suez Canal. They decided to discuss a matter which is one of principal functions of our sovereignty. To discuss a matter which is mainly our own concern. They met and began by deciding on economic pressure, freezing Egyptian assets in Britain and in France and at the same time freezing Egyptian assets in America. This form of pressure was used by the big powers which claim to be the leaders of the Free World, in order to threaten the Egyptian people, to impose their will on Egypt concerning a matter which is our property, a matter which we consider to be an inseparable part of our Fatherland, a matter which fundamentally concerns our sovereignty and our independence. This economic pressure was taken in order to starve the Egyptian people as they imagine, or to influence the Egyptian people. It is a remarkable thing that these measures came from the leaders of the Free World, who call for freedom, for self-determination and for the sovereignty of nations, and who conceal beside all this imperialism and bloodsucking of the peoples. They appeared as they were, the curtain was unveiled. We were expecting this economic pressure throughout the last two years. We were / arranging ..

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...arranging matters on the basis that no power should come one day and find that she was dominating our economy or our finances. We were entirely dependent on the Sterling Block. We were dependent on the Bank of England. We had no other way during the last two years. We made every effort to get out of this and become free. We were able to become free. We were able to reach payment agreements with nearly all countries. All that we export to Britain in a year is about 8 million pounds. This pressure may affect us, but it will not make us starve and will not cause us, under any circumstances, to surrender. We faced this pressure, and the people faced this pressure with courage. The people who used to face all crisis with courage, faced this pressure with courage. After this what happens? They were not content with this, but they started with military threats. The Canal is ours. The English say that it is theirs. Under any law is the Canal theirs? Under what regulation is the Canal theirs? "Our Canal was snatched by the Egyptians, we should get it back". Military pressures started mobilizations, fleets were concentrated in the 19th century manner movements. France she started. She has half a million soldiers in Algeria. She says that she is going to concentrate to concentrate what? She says she is going to concentrate her fleet. She will withdraw forces from Algeria for the reclamation of her Canal, which the Egyptians have snatched from them and which Abdel Nasser has stolen. Then came the Tripartite Declaration signed by America, Britain and France. This Declaration was made known to the whole World and to Egypt at the same time. This Declaration revealed what was hidden. This Declaration explains the facts not only to us but to the whole of World public opinion. Public opinion in the whole World was able to know the facts and intention and to know that imperialism has got various shapes and different names but in all these shapes and under all these names it is imperialism. The reply which Egypt announced today disclosed all these distortions. They tried by all means to deceive World public opinion and to deceive their own public opinion. They say that this Canal has an international status and that this Canal is international. The British say this. A case concerning the Canal Company was before the mixed courts in 1939, the British went there and defended,

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defended honestly that the Canal has no international status and that it was an Egyptian Canal. The Canal Company is an Egyptian company of limited liability which had its concession for 99 years from the Egyptian Government. Article 16 of the agreement concluded between the Egyptian Government and the Company in 1866 provides that the Suez Canal Company is an Egyptian Company subject to the laws of the country. They ignored all this, all these facts they denied and started mixing the freedom of navigation in the Canal with the Suez Canal Company. They began to tell world public opinion that freedom of navigation in the Suez Canal could not be secure without the maintenance of this international company, this company which has an international status. This argument is refutable and Egypt gave her reply today. For what purpose was the 1888 Agreement concluded? It is called the agreement of 29th October, 1888 relating to the security of the freedom of the use of the Suez Maritime Canal. Thus this agreement concerns the security of the freedom of the use of the Suez Maritime Canal. We said that we were still keeping our word as regards the 1888 Agreement. Another reason for regret is that the declaration which the leaders of the free world put out mentioned some of the facts and ignored the others. It ignored all the facts which give Egypt any right. In this declaration they said that Egypt had concluded an agreement with Britain in 1954 in which it was said that the Suez Canal was a maritime artery of international importance from the economic mercantile and strategic standpoint but the Three Power Declaration which Britain, America and France made, ignored the first part of this article, article 8 of the 1954 Agreement which says that that two states consider the Canal an inseparable part of Egypt. This talk gives rise to doubt and suspicion. Why did they cancel this article which Britain and Egypt signed? Because they intended to intervene. They want to conquer a part of our land which was the subject of an agreement in 1954. It is an indivisible part of Egypt. This is very clear. The Governments of the Three Powers insisted on misleading World public opinion by asserting that the Suez Canal Company is an international agency and that the Egyptian Government cannot change its status. This talk amounts to ignoring agreements and ignoring all treaties. This talk reveals the premeditated

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intentions behind the conference which they have called and for which they have issued invitations.
What are the circumstances of this conference, its time and place? The Three Powers which are considered as the Powers or some of these Powers who utilise the Canal not and completely ignored the one who is most concerned. They ignored Egypt and decided that they should meet to discuss the question of the Suez Canal and at the same time this was accompanied as I told you, with economic threats and pressure, and military threats. They said that the conference would be in London and decided to invite certain Powers to take part. I don't know on what basis. There are more than 45 States which use the Canal. They decided to invite 24 States. They ignored the 1888 Convention on which they depended and which prescribes the system of invitation and those who should send out the invitation, and that the place of meeting should be in Cairo. They said that the Three Powers who are leaders of the Free World were of the view that they should take steps to establish a sort of administration under international supervision to ensure the working of the Canal in a permanent manner, as provided for in the 1888 Agreement, at the same time taking into consideration the legitimate rights of Egypt. This is the paragraph which they mentioned in their statement. This paragraph shows clearly, very clearly, why the governments originating the Three Power statement attempted to give the Suez Canal Company an international nature, ignoring the texts of all the agreements and laws. It shows very clearly that they want to transgress Egypt's clear rights. They want to steal her sovereignty over the Canal which is considered as an indivisible part of her land. Do you know what international supervision means? I consider that this international supervision of which they talk is a new form of imperialism, joint imperialism. We have hardly got rid of common defence which represents a form of imperialism when today a new kind of imperialism makes its appearance, joint imperialism under the name of international agreement. These people, these States who signed the United Nations Charter and who proclaimed the freedom of the peoples and who proclaimed that international disputes should be settled by peaceful means and who created the United Nations, these States have forgotten the Charter.

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They neglected it to an extent which amazed all the member States of the United Nations following that they said that Egypt has violated the sanctity of international agreements. I challenge whoever makes such a claim to point to any international agreement which was violated by Egypt. Egypt has always respected all her commitments, but she has been the victim of violations such as those occurring today. They ignore agreements in the Three Power Declaration and are trying to conceal Egypt's clear rights. If they could affect the minds of their own peoples, could they affect our minds? The Suez Canal is ours, we are well aware of our rights. They talked about the regularity of navigation in the Canal and said it was not regular and was menaced. Navigation has been more regular than in the past. More than 766 vessels have passed through the canal since nationalization and nobody has complained. They said that we would collect the Suez Canal revenues to build the High Dam and that in this case no development or improvements could be made to the Canal. This talk is intended to deceive their own peoples. I should like to quote to you from the 1955 report of the Suez Canal. The gross income was 31/2 million pounds gross expenditure including interest and depreciation of capital was 18,500,000 pounds net profits of the company were 16,500,000 pounds miscellaneous disbursements 51/2 million pounds. There was a clear net balance of 10,800,000 pounds for distribution among the shareholders. This is what the 1955 report said.

In the course of the press conference at 5 p.m. today one of the foreign correspondents asked me, is it true that you will not devote any of the total returns for the restoration and development of the Canal to suit the times?

I replied that all that we should do would be to take the 51/2 million pounds which were paid as disbursements. We would take the 10,700,000 pounds which were distributed as dividends after we had paid the shareholders complete compensation.

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There will remain in our possession 16 million pounds approximately, which is equal to 30,000,000 dollars per annum. We were to take 12 million dollars aid for the High Dam per annum. Your experts used to say that this amount would suffice to build the High Dam. Existing expenditures will be met. Naturally, we shall deduct those monies which were paid to the Board of Directors, thousands of pounds, and other thousands of pounds for members of the Board together with the miscellaneous disbursements which were debited to the Company. I told them that it is in Egypt's interest that the Suez Canal should be developed and should be rendered suitable for the exigencies of the time. At the same time, it is in Egypt's interest to take over the profits which go to the exploiters, who appropriated the "Company" from us and who have usurped it since the days of Ismail. We take over this profit in order to increase production in our country and also to meet the exigencies of the time. The high standard of living, the standard of living which we seek, requires a great effort, because the standard of living in Egypt is low as a result of the long period of imperialism. The increase in the number of the population requires a great effort and requires a continuous effort. This means we must work for the development of the Canal so as to obtain the maximum income, and to work on the construction of other projects, the first which is the High Dam.

The talk we hear is meant to confuse. It is meant to mislead world public opinion. This talk represents the policy which was pursued in the past, the policy of force by the big Powers, the policy of employing force to impose their wishes. This case, my brothers, is not the case of the Canal. It is the case of all the free States in the world. The case of the small States which acquired their independence through struggle and which desire to secure their independence against the despotic force and against the policy of force of the big Powers with this method. They tried to deceive the people, as was evident in the Three Power Declaration.

/ Have the peoples

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Have the peoples been deceived? Have we in Egypt been deceived? Or has the spirit of defeatism spread amongst us? Has anyone of us thought of forgetting his dignity, his right or his sovereignty? A reaction happened in Egypt, everyone was resolved to insist on his right, everyone felt that there was a conspiracy to usurp his right. Everyone felt that there was a conspiracy plotted by the three leading States of the free world to violate his dignity and sovereignty. What was the reaction in these States? The reaction was the result of provocation, a fierce reaction. But there are a large number of free men in these countries who were able to disclose these distortions. They were able to disclose the deceit for diverting their thoughts. Voices began to be raised in these States. They declare that they had no right to follow such a policy and it was they who established the United Nations and called for the principles for which they called after the Second World War. Voices began to ask how a nation which has got her independence could feel secure and feel that its dignity was secure if such methods were to be used for the settlement of differences? The reaction here in Egypt was that of determination that our struggle should be a continuation of our past struggle.

During today's press conference a correspondent asked me, "Is there a state of emergency in Egypt?" My answer was that throughout my life I have known that Egypt was always in a state of emergency, a state of emergency against imperialism, against the imperialism which was existing, a state of emergency against exploitation, a state of emergency against foreign domination, a state of emergency against the schemers. Everyone of us used to consider himself in a state of emergency. All through my life I used to consider myself in a state of emergency in order to mobilize my country to stand against the schemers. These conspiracies strengthen our faith in our right. We will never give in, we shall fight for our rights. A correspondent asked me today, "Suppose Britain and France used force what would you do?". "I shall defend my country until the last drop of my blood" I answered. This is my duty and the duty of every national. He asked me how many volunteers there were. I said, "I really don't know". We began to believe in something called the "total war", the total war which exists wherever

/exists wherever

Airfax telegram No. 1537 to Foreign Office

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wherever there is a desire for liberation, the total war which has gained the victory over tanks, aircraft, fleets and aggressive Powers, the total war which is present in Algeria and existed in Indo-China, the total war for which the people is mobilizing to obtain freedom and to obtain its independence to consolidate its sovereignty and to establish a sort of dignified life. I feel I want to tell you something. After hearing of the uproar, I was surprised. Once it happened that I thought, and so did my friends, that we should accept this invitation. Not that this is a recognition of weakness on our part but to prove to the world that those people who use this language have forgotten world peace and forgotten world security. What happened then? There were more threats to the Egyptian people, pressure on the Egyptian people. Moreover, the Prime Minister of England had adopted a peculiar method. He said, "We do not trust Abdel Nasser in any circumstances, we are after Abdel Nasser". Does this make any sense? All this uproar only because of one individual? They are after Egypt's sovereignty. They seek domination and they are after (our) independence. They want us to be in one of the spheres of influence.

Of course, after such talk, acceptance of this invitation would be against our dignity and against our sovereignty because it has become clear, their intentions were unveiled, and the facts became obvious. What was the reaction in other parts of the world? What did free public opinion, really free public opinion think? One day after the nationalization of the Suez Canal and after the threats, a voice was raised in the Arab world, and other voices in the Arab World began to say this is not called the Suez Canal, it is called the Arab's Canal.

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Arab nationalism began to appear in its full shape and in its best form. Support for Egypt and solidarity with Egypt began to pour in from the Kings and leaders of the Arabs. All of them unanimously support Egypt. The Arab people began to feel their existence and to feel their entity. They began to appear in their true picture and to show what was in their souls and in their hearts. Arab nationalism began to appear in the whole world. Yesterday, I read an article in the foreign press which says that Arab nationalism has become a fact and that Arab nationalism could be more dangerous than the Communist menace. While I was writing "The Philosophy of the Revolution" after the 1952 revolution, I thought of Arab nationalism as one of the factors of our strength, not as Egyptians, but as Arabs. We must have an identical nationalism, everyone of us must feel what his brother feels. Everyone of us must fight for the cause for which his brother is fighting. A foreign correspondent asked me today, "Is there a definite plan for what is happening now in the Arab countries?" I told him, "You seem not to understand anything. Who could be the man of genius who has the organizational ability to lay out such a plan?" I told him, "Arab nationalism has become an actual fact inside the heart of every Arab (.....) every Arab feels that it is the means for his security, the means for his existence, the means for his dignity". I explained to him that after Egypt had been threatened, Arab nationalism appeared everywhere in every Arab country. Could anyone in the world organize these feelings, which show an identity of sentiments and an identity of aims? "You must understand" I told him, "that Arabs of today are no longer the Arabs of the old days. The Arabs are now conscious of their existence and of their nationalism. They began to realize in a full sense that their strength lies in their nationalism". What has happened in the rest of the world? Every country in the world, the free countries, which can express their views and their wills, realized that this action was a threat to her. All the States of Asia, every State in Asia announced that the action which the three Big Powers were taking was considered a threat to peace and considered to be an action of the 19th century. Free public opinion and world conscience has supported this case because it is the case of justice which a small State claims from the Big Powers who want to exercise force.

/Brothers, world

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Cairo telegram No. 1557 to Russian Office.

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Brothers world public opinion is now supporting the case of the Suez Canal, which has no longer come to be the case of Egypt, Britain, France and America. Now, it is now the case of the world which is defending its independence against the policy of force which the Big Powers are using. As a State exercising her rights and her sovereignty, we can never accept anything which affects our dignity. We can never give in to any pressure which touches our sovereignty. We are giving the world an example. We say that right could win and say that the world has a free public opinion and that the world has a free conscience, in spite of the methods of the Three-Power Declaration which was announced, and in spite of the distortions of the Three-Power Declaration.

Brothers, we said that we were ready to come to an understanding as regards the free use of the Suez Maritime Canal. A conference of the States who signed the 1855 Agreement would meet and invite all the States who use the Suez Canal, more than forty five States. This conference would discuss the security of the freedom of the Suez Canal for navigation, which is a matter of interest to us as well as to the countries of the whole world. The Suez Canal is very important for world trade, not for Britain alone. It is important to the Asian countries as through it pass goods from Asia to the rest of the world. It is important to Asia because all goods ~~through~~ it. It is important to the European countries because it carries their goods and raw materials. Then they send back and transport the rest of their manufactured goods. This is of great interest to us. It concerns us that we should not harm any country in the world, and that is by contributing to its welfare, giving facilities to its business and encouraging its trade. But the question is not one of freedom of using the Canal. It is a question of using arrogant force, arbitrariness, exploitation, domination, abuse of influence.

When we announced our opinion today, we were doing everything for the sake of peace. We announced these principles, we signed the United Nations Charter which was neglected by the Powers of the Three-Power Declaration. We said that we would do all we could to solve international disputes by peaceful ways.

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Cairo telex No. 1537 to Foreign Office

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We signed the Bandung Declaration and said that we would use all peaceful methods to solve international disputes. There is nothing at all, my brethren, which we will not do for this end. I told you that I was ready to go to London for the sake of this. But if we do something for the sake of peace it should safeguard us, safeguard our dignity which is our capital, a capital which we begin to feel today. The question which one asks today is do these Powers actually want peace? Do these Powers desire peace? Or do these powers which have been possessed with fury want to solve their problems? Does the French Government want peace? Had she wanted peace, she would have solved the Algerian problem, and would have agreed to self-determination which has been provided in the United Nations Charter. But she wants to solve Algeria's problem, she wants to solve problems concerning her Cabinets, which are formed every six months. Does the British Government want peace or does it want to be assured that it is Great Britain? I read that one of the newspapers said that Great Britain would never be great after that, a matter of arrogance more than a matter of loving peace. We declared that we would take all technical means to solve these problems in a way which would keep the sovereignty of Egypt and her dignity. All the solutions offered today show to the whole world that Egypt wants peace but wants also to preserve her sovereignty and dignity. Egypt wants to solve international problems by peaceful means, but will never bow to blind force, or to economic threats, or to military threats. What we have said today shows that all of Egypt will fight and struggle for the confirmation of her sovereignty and of her sovereignty and of her independence, otherwise the evacuation which took place would be of no significance. It would be a show evacuation were not the Canal under the control of Egypt, or were it under the domination of influence of a foreign State, or States. Reason can never accept such an argument. I should like to tell you that there has been constantly plots for the Suez Canal of which we were aware always. Conspiracies for the internationalization of the Suez Canal, and for the extension of the term of its concession.

/The Suez Canal...

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Cairo telegram No. 1557 to Foreign Office

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The Suez Canal Company asked us for this extension in order to carry out its development plans. Some months ago, M. Picot, the Director of the Company, went to Washington and tried every means to bring pressure to bear on the four Powers to extend its term, or to internationalize it. Moreover, Mr. Black, Director of the World Bank, came to see me and offered to give us one billion dollars as a loan for the widening of the Suez Canal and making it suitable for the navigation of big vessels on condition that we should reconsider the status of the Canal or that we should dig another canal. My answer was, "Another Canal? We don't know how to get rid of the calamities which the present Canal has brought us. How could we then think of building another canal?" I told him that I could not give him a word on the subject before the liquidation of the present status of the Canal. We are working for peace and all liberated peoples who feel freedom support us in this effort. We shall use all means to resort to peaceful settlements, but for the defence of our dignity and for the defence of our sovereignty we shall struggle.

Talking for myself I say I shall fight to the last drop of my blood. This is our course and this is our problem. We stride forward with vigour, determination and complete faith in our right to freedom and our right to life. We go forward and God will give us victory. God has come to our aid in all our crises and made us triumphant in our struggle throughout the years. We shall be victorious over blind force and we shall gain victory over the forces of exploitation, domination and despotism. We shall go ahead full of faith in our right for freedom, our right for life and our confidence in ourselves, our confidence in our existence, in our country, our land, and confidence that the Suez Canal is an integral part of Egypt. This is our course and may God grant you success.

ADVANCE COPIES:-

Private Secretary
Sir I. Kirkpatrick
Sir H. Caccia
Mr. Ross
Head of African Department
Head of News Department
Resident Clerk

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SECRET

FROM BAGDAD TO FOREIGN OFFICE

Cypher/OTP

Sir M. Wright

JE 14211/670

**FOREIGN OFFICE AND
WHITEHALL DISTRIBUTION**

No. 881
August 12, 1956

D. 2.45 p.m. August 12, 1956
R. 3.05 p.m. August 12, 1956

**IMMEDIATE
SECRET**

Addressed to Foreign Office telegram No. 881 of August 12.
Repeated for information to Washington P. O. M. E. F.
and Savign to Paris

Nasser's action over the Suez Canal naturally received the support of the extreme Nationalists here, including a small group of Nationalist politicians. The latter hoped to start effective agitation against Nuri and the policy of co-operation with the West. The aims would no doubt in due course include nationalization of the Iraq Petroleum Company. The Egyptian Embassy have been receiving a number of congratulatory messages from Nationalist intellectuals. Younger officers in the Army are among the targets for such agitation.

2. Nuri, who is watching all this closely, told me this morning that he thought the statement by the Government on August 5 had done a good deal to take the wind out of the sails of those concerned. The Syrian Prime Minister and the Foreign Minister had also played into his hands by issuing a statement of satisfaction with their talks in Bagdad two days ago, although in fact, as reported in my telegram No. 876, the Iraqi Government had stood out against support for Nasser. He went on to say he was not (repeat not) disquieted about the internal position here. If there were attempts at stirring up trouble he would apply with the utmost firmness, the powers which the Government possessed under the law against associations and strikes.

3. The crucial point was whether Nasser succeeded. If he were brought down or deflated, the efforts of Communist Russia to establish a dominating position in the Middle East by arms aid and other means would receive a resounding set back. He noted that the Soviet Press were encouraging Nasser to stand firm. This was logical, since they had staked so much upon him. The issues were indeed now perfectly clear. Either Nasser and the Communists would succeed, in which case the West and their friends would lose everything in the Middle East. Or Nasser and the Communists would fail, and the situation throughout the Middle East would change for the better.

4. Nuri went on to say that he supposed the critical moment might well come after the conclusions of the London conference. For this, among other reasons, he was anxious that the King should be back in Iraq not later than August 20 or 21. He had sent a message to this effect through the Crown Prince, having been somewhat disturbed at a report that the King might not be back until August 25 or later. I asked him whether he would like us to say anything ourselves to the Crown Prince. He replied he believed that they would be leaving London today and that he thought his own message would be sufficient. I am not sure, however, whether

/It might



SECRET

Bagdad telegram No. 881 to Foreign Office

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it might not be wise for us to say a friendly word to the Crown Prince if we have any suitable means of communication with him.

5. Nuri continues to lay great emphasis on the arrival of the forty Centurions in time for Army Day, and if possible earlier. He has been told by the Americans that they have agreed for their part. If for reasons of lack of [grp. undec. ? availability] or transport difficulties this should prove impracticable, the result may be extremely unfortunate both in terms of the morale of the Army, whose support is essential, and also for the politicians and public opinion. If the full number of Mark VII were not available Mark VIIIs, even if already used, would be equally if not more acceptable. Failing that, American heavy tanks might perhaps be considered. Almost anything would be better than failure to produce the full forty in time.

6. In addition, provision of both some Hunters and Canberras, if only for training and demonstration, would also be most valuable. Among the advantages are that, if available, they could be got here so quickly.

Foreign Office pass Washington and P. O. M. E. F. and Saving to Paris as my telegrams Nos. 86, 150 and 55 respectively.

[Repeated to Washington, P. O. M. E. F. and Saving to Paris]

ADVANCE COPIES

Private Secretary
Sir I. Kirkpatrick
Sir H. Caccia
Mr. Ress
Head of African Department
Head of Levant Department
Resident Clerk

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JE 14211/672

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FROM BELGRADE TO FOREIGN OFFICE

En Clair

FOREIGN OFFICE AND
WHITEHALL DISTRIBUTION

Sir F. Roberts
No. 501
August 12, 1956.

D. 12.20 p.m. August 12, 1956.
R. 1.05 p.m. August 12, 1956.



Addressed to Foreign Office telegram No. 501 of August 12,
Suss.

Following statement was issued by President Tito today to
Tanjap News Agency.

Begins:-

"First of all, I would like to point out that our country is the legitimate maritime inheritor of the rights of former Austria-Hungary on the basis of the Convention of 1888. But even regardless of this, Yugoslavia is one of the maritime countries of the Mediterranean and for this reason is directly interested as regards navigation through the Suez Canal. We are, therefore, very much surprised that the three Powers which called the conference in London have completely ignored the interests of our country in this regard and its right to participate in any conference which might examine the question of navigation through that Canal. This does not appear to be an accident as other countries too, which have the same or similar interests, have not been invited to the conference, and this casts a shadow on the motives, aims and efficaciousness of the planned conference. This unilateral approach to the matter and generally the haste, displayed by the conveners of the conference, are all the more to be deplored as they coincide with the taking of definite economic measures and with threats to use force against Egypt. All this happened in a situation marked by a gradual relaxation of the international tension, this has caused a change in the international atmosphere which does not only concern the three countries which convened the conference, but also the whole world interested in the preservation of peace. Such an action necessarily means dealing a blow to the United Nations and all past efforts aimed at bringing about a relaxation of the international tension and strengthening of world peace. As regards the nationalization
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Belgrade telegram No. 501 to Foreign Office

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itself of the Suez Company, we are of the opinion that nobody can dispute the right of a sovereign country to carry out the nationalization of anything on its own territory, if it considers this in the interests of the people and sovereignty of the State. In this case, this is all the clearer, as what is actually involved is an Egyptian company which is subject to Egyptian laws and jurisdiction.

We consider that the care for the maintenance of the Canal and for its normal functioning as well as administration and defence of the Canal, is the component part of Egyptian sovereign rights. Of course, the principle of freedom of navigation generally, and in particular the principle of the free navigation through the Suez Canal without any discrimination, is a matter which interests the whole world, and it is certain that no country through whose territory passes such a significant international waterway, will withhold a corresponding international obligation. (And the Egyptian Government has declared itself in favour of respecting such an obligation). It would be incorrect to impute to Egypt, as a sovereign State, that it will not fulfil such obligations. Finally, I would like to state we consider the manner of the convening of the conference in London and the atmosphere created with threats to use force, are preventing Egypt and other interested States from having confidence in the conference. It should be emphasized that no conference can discuss the right of Egypt to nationalise the Suez Company, and what this right contains, including administration and assurance of the freedom of navigation through the canal. An international conference can discuss only about conditions of the application of the principle of free navigation and this with the participation of Egypt on an equal footing, without imposing decisions on Egypt".

Ends.

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Translation

SCINTEIA - 12th AUGUST 1956

STATEMENT OF GOVERNMENT OF ROUMANIAN PEOPLE'S
REPUBLIC

ON SUEZ CANAL PROBLEM

In connection with the nationalisation of the Suez Canal Company and with the convening of the London conference by the governments of Britain, France and the United States of America, the Government of the Roumanian People's Republic states the following :

1. The Government of the Roumanian People's Republic considers that the act of the Egyptian Government of nationalisation of the Suez Canal Company is a fully legal act, a legitimate right of Egypt as a sovereign and independent state.

According to the unanimously recognised principles of international law, private enterprises and companies are subject to the jurisdiction of the state on the territory of which they are situated and which may, in accordance with its interests, decide their transfer to state property, their nationalisation, even if foreign capital participates in them.

According to the 1866 Convention, the Suez Canal Company was just such an enterprise, regarded as Egyptian and subject to Egyptian legislation.

The Law for the nationalisation of the Suez Canal Company provides for the payment of compensation to the former shareholders, and the Egyptian Government, by official statements, has repeated its assurance that it will observe the liberty of navigation through the Canal in accordance with the provisions of the 1888 Treaty and will take measures for the good maintenance and development of the Canal. Since nationalisation, navigation through the Suez Canal has been normal. In the opinion of the Roumanian Government there is no valid foundation justifying any alarm to the effect that the Egyptian Government will not fulfil the obligations it has assumed or that the nationalisation of the Suez Canal Company might in any way endanger freedom of navigation.

It is obvious that the allegation made by the governments of Britain, France and the USA. to the effect that the nationalisation of the Suez Canal Company is a violation of Egypt's international obligations and a danger to free navigation through the Canal is devoid of any justification.

2. As to the conference convened in London on 16th August on the initiative of the governments of Britain, France and the United States of America to discuss the Suez Canal problem, the Government of the RPR considers that this conference, neither by its nature and purpose nor by its competence, could be considered as an international conference with the right of taking any valid decision on the Suez Canal.

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The Roumanian Government cannot agree to the fact that the Roumanian People's Republic, like many other states with a direct interest, has not been invited to participate in the London conference.

Moreover, the Roumanian Government considers that the United Nations Organisation would be a proper body for the discussion of this matter.

If some powers nevertheless insist on the summoning of a conference to discuss the Suez Canal problem, in the opinion of the Roumanian Government, in order to possess the necessary authority, must be of a broad representative nature. In this sense the Government of the Roumanian People's Republic agrees with the proposals of the USSR contained in the latter's statement of 9th August 1956 on the Suez Canal problem.

As to the Government of the Roumanian People's Republic, consistent in its conviction that any controversial problem between states can be solved peacefully, it states that it is ready to bring its wholehearted contribution to the problem of the Suez Canal in the interest of peace among the peoples and of respect for the independence and sovereignty of the states.

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CONFIDENTIAL
FROM CAIRO TO FOREIGN OFFICE

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Cypher/OTF FOREIGN OFFICE AND WHITEHALL
DISTRIBUTION

Sir H. Trevelyan
 No. 1545 D. 2.11 p.m. August 13, 1956
 August 13, 1956 R. 4.05 p.m. August 13, 1956.

JE 14211/157

PRIORITY
CONFIDENTIAL

Addressed to Foreign Office telegram No. 1545 of August 13.
 Repeated for information to:

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|--------------------------|----------|
| Bagdad | POMEF |
| and Saving to Washington | Damascus |
| Paris | Jeddah |
| Beirut | Khartoum |
| Amman | Tripoli |

14 AUG 1956
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Bagdad telegram No. 861: Arab League Meeting.

The Iraqi delegates to the Arab League meeting on the Suez Canal, Tewfiq Suweidi and Yusuf Ghailani, saw me this morning. They said that the resolution in my telegram No. 1526 for which they had voted, was the best that could be obtained. They had succeeded in eliminating a good deal of rhetoric which had been favoured by the Syrians and even by the Jordanians and Lebanese. There would be a meeting today at which a resolution would be passed welcoming Nasser's statement of yesterday and probably looking towards peaceful negotiations on the basis of Nasser's proposed conference sponsored by the 1888 Powers. If anyone suggested that hostile measures against the West, such as the breach of diplomatic relations, should be taken, they would refuse to discuss this, on the grounds that time should first be given for a solution of the question by peaceful negotiation.

2. Tewfiq Suweidi's views were as follows. He thought that all attempts force must be avoided since the Egyptians would have it in their power to make a complete shambles of the Middle East including Iraq. The Iraqis supported the Egyptians on the question of nationalization. In his opinion the outcome

/of

CONFIDENTIAL

Cairo telegram No. 1545 to Foreign Office

-2-

of the London conference should be to establish negotiations with the Egyptians which would lead to a revision of the 1888 Convention and perhaps include provisions for the establishment of a supervisory committee of three or five neutrals, to watch over the question of administration and rates. Any shipping nation which complained and could not get its complaint redressed, would be able to appeal to a United Nations body. He felt that the Egyptians were now drawing back a little and showing some signs of readiness to negotiate. He thought that they would be prepared, in the context of a revision of the 1888 Convention, to discuss the question of administration and rates and that it might be possible to reach an agreement on these lines. I did not encourage him to believe that such an outcome of the dispute would be acceptable to you.

Foreign Office please pass to Bagdad and Saving to Washington and Paris as my telegram Nos. 128, 314, and 208 respectively.

[Repeated to Bagdad and Saving to Washington and Paris]

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ENCLOSURE

FROM CAIRO TO FOREIGN OFFICE

En Clair

JE 14211/091

FOREIGN OFFICE AND
WHITEHALL DISTRIBUTION

Sir H. Trevelyan

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No. 1551
August 13, 1956.

D. 9.57 p.m. August 13, 1956.
R. 11.59 p.m. August 13, 1956

Addressed to Foreign Office telegram No. 1551 of August 13.
Repeated for information to P.O.M.E.F.

and Saving to Washington Paris
Bagdad Jeddah
Beirut Amman
Khartoum Tripoli
Benghazi Damascus

My immediately preceding telegram. Following is text.

Begins.

JE 14211

1. The Political Committee reaffirms its full support for the Egyptian Government's declaration that it believes in doing its utmost to maintain world peace and adheres to its pledges within the framework of the United Nations and the Bandung Conference resolution which recommends a peaceful settlement of international problems. The Committee fully supports the Egyptian Government's announcement of its preparedness to work with other signatories of the 1888 Convention, for the holding of a conference to be attended by other states whose ships pass through the Suez Canal, to review the Constantinople Agreement and discuss conclusion of an agreement between all these governments reaffirming freedom of navigation through the Suez Canal.

2. The Political Committee considers that the Egyptian Government's proposal conforms with international rights, is marked by good intention, and represents a genuine confirmation to all world states that freedom of navigation through the Canal would be maintained.

3. The Arab States confirm their solidarity with Egypt and with the maintenance of her sovereignty and preservation of her national rights. They consider any attack against the sovereignty of any Arab State as being directed against the sovereignty of all the Arab States.

Ends.

/2. Release

Cairo telegram No.1551 to Foreign Office.

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2. Release issued by Committee welcomed Nassor's statement (My telegram No.1529) as conforming with spirit and resolutions of League Council yesterday (my telegram No.1526). According to A.N.A., Political Committee session is still in session. Ben Halim left today. Syrian Delegation leaves tomorrow. Lebanese Delegation will stay on two days.

Foreign Office please pass Saving to Washington, Paris, Tripoli and Benghazi as my telegrams Nos. 315, 210, 26 and 38 respectively.

[Repeated Saving to Washington, Paris Tripoli and Benghazi]

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JE 14211/6914
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FROM CAIRO TO FOREIGN OFFICE

Cypher/OTP

FOREIGN OFFICE AND
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Sir H. Trevelyan

No. 1572
August 14, 1956.

D. 1.07 p.m. August 16, 1956
R. 2.37 p.m. August 16, 1956.

CONFIDENTIAL

Addressed to Foreign Office telegram No. 1572 of August 14.
Repeated for information to Bagdad

P.O.M.E.F.
and Saving to Washington
Paris

Jouan/bai
My telegram No. 1551: Arab League.

As far as I am aware this resolution, including the clause "the Arab States would consider an attack on the sovereignty of any Arab State as being directed against the sovereignty of all the Arab States", was passed unanimously.

Foreign Office please pass to Bagdad and Saving to Washington and Paris as my telegram Nos. 130, 320 and 213 respectively.

[Note by Comms Dept.: This was a missing telegram repeated at our request]

[Repeated to Bagdad and Saving to Paris and Washington]

C O C C

17 AUG 1956
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FROM CAIRO TO FOREIGN OFFICE

In Chair

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FOREIGN OFFICE AND
WHITEHALL DISTRIBUTION

JE 14211/612

Sir H. Trevelyan
No. 1552
August 13, 1956

D. 10.10 p.m. August 13, 1956
R. 12.45 a.m. August 14, 1956

Addressed to Foreign Office telegram No. 1552 of August 13
Repeated for information to:- P.O.M.E.F.

Tripoli
Benghazi
and Saving to Washington Paris

Istanbul telegram No. 120 (not to P.O.M.E.F.)

Ahram today reported that Nasser had thanked Ben Halin for attitude of his Government towards nationalization. In reply to questions from Ahram's correspondent, Ben Halin said that Libya fully supported Egypt in nationalising Company but wanted wisdom to prevail and wanted matters settled by peaceful means. Resort to force or threat of force was outmoded. He added that if force was used "The Western bases in Libya will not be a bridge to be used against Egypt or any other Arab country. To be honest I must say that the Western countries know this well. On this basis Libya considers a threat to Egypt to be a threat to all the Arabs and therefore it is not at all reasonable that Libyan soil and facilities which were given, on conditions, for the defence of the Free World, should be used against sister Egypt".

Foreign Office pass Saving to Washington and Paris as my telegrams Nos. 316 and 211 respectively.

[Repeated Saving to Washington and Paris]



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